



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 October 18, 2016

Los Angeles County
Board of Supervisors

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October 18, 2016

LORI GLASGOW
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Chief Operations Officer

SUBJECT

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

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www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

(1) Account Number	RLANRC-Variou	\$ 250
(2) Account Number	LAC+USC-Variou	\$ 4,742
(3) Account Number	RLANRC-Variou	\$ 31,000



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Patients who received medical care at non-County facilities:

(4) Account Number	EMS-P-145	\$	552
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Total All Accounts:	\$36,544
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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at County facilities: The compromise offers of settlement for patient accounts (1) – (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient account (4) is recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency or trauma care provided to eligible indigent patients at those facilities through the Los Angeles County Trauma Fund. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$36,544. There is no net cost to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz".

Mitchell H. Katz, M.D.

Director

MHK:ab

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: OCTOBER 11, 2016

Total Gross Charges	\$110,318	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$110,318	Date of Service	Various
Compromise Amount Offered	\$250	% Of Charges	1 %
Amount to be Written Off	\$110,068	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile vs. pedestrian accident. As a result of this accident, the patient was treated at RLANRC and incurred total inpatient and outpatient gross charges of \$110,318 for medical services rendered. The patient had ATP with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000 and the patient's attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$3,750	25 %
Lawyer's Cost	\$9,755	\$9,755	65 %
RLANRC *	\$110,318	\$250	2 %
Other Lien Holders	\$571,176	\$500	3 %
Patient	-	\$745	5 %
Total	-	\$15,000	100 %

* Lien holders are receiving 5% of the settlement (2% to Los Angeles County and 3% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code Section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost.

This patient is covered by ATP and as a condition of the ATP agreement; the County may pursue reimbursement from any responsible third party. Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to RLANRC. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: OCTOBER 11, 2016

Total Gross Charges	\$130,527	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$130,527	Date of Service	Various
Compromise Amount Offered	\$4,742	% Of Charges	4 %
Amount to be Written Off	\$125,785	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$130,527 for medical services rendered. The patient had ATP and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000 and the patient's attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$4,742	\$4,742	32 %
Lawyer's Cost	\$774	\$774	4 %
LAC+USC Medical Center *	\$130,527	\$4,742	32 %
Other Lien Holders	-	-	-
Patient	-	\$4,742	32 %
Total	-	\$15,000	100 %

* This settlement distribution is consistent with the Hospital Lien Act (California Civil Code Section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost.

This patient is covered by ATP and as a condition of the ATP agreement; the County may pursue reimbursement from any responsible third party. Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: OCTOBER 11, 2016

Total Gross Charges	\$76,416	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$76,416	Date of Service	Various
Compromise Amount Offered	\$31,000	% Of Charges	41 %
Amount to be Written Off	\$45,416	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at RLANRC Medical Center and incurred total inpatient and outpatient gross charges of \$76,416 for medical services rendered. The patient had ATP with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$488,000 and the patient's attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$195,200	\$195,200	40 %
Lawyer's Cost	\$10,000	\$10,000	2 %
RLANRC **	\$76,416	\$31,000	6 %
Other Lien Holders **	\$96,388	\$62,653	13 %
Patient ***	-	\$189,147	39 %
Total	-	\$488,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and his attorney.

** Lien holders are receiving 19% of the settlement (6% to RLANRC and 13% to others).

*** Patient is receiving 39% of settlement for hip replacement surgery and ongoing treatments.

This patient is covered by ATP and as a condition of the ATP agreement; the County may pursue reimbursement from any responsible third party. Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to RLANRC. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: OCTOBER 11, 2016

Total Charges (Providers)	\$3,617	Account Number	EMS P-145
Amount Paid to Provider	\$1,982	Service Type / Date of Service	Outpatient 12/2/2014
Compromise Amount Offered	\$552	% of Payment Recovered	28 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Northridge Hospital Medical Center and incurred total outpatient gross charges of \$3,617 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$1,982. The patient's third-party claim has been settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$25,000)
Attorney fees	\$10,312	\$10,312	41 %
Attorney cost	\$642	\$642	3 %
Other Lien Holders *	\$81,892	\$7,016	28 %
Los Angeles County *	\$3,617	\$552	2 %
Patient		\$6,478	26 %
Total		\$25,000	100 %

* Lien holders are receiving 30% of the settlement (2% to Los Angeles County and 28% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 28% (\$552) of amount paid to Providence Northridge Hospital Medical Center.